

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-029-E - ORDER NO. 2000-1028
DECEMBER 21, 2000

IN RE:	Application of Carolina Power & Light)	ORDER GRANTING
	Company for Approval of Accelerated Cost)	MODIFICATION OF
	Recovery of its Nuclear Generating Assets)	ACCELERATED COST
)	RECOVERY

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Carolina Power & Light Company (CP&L) for approval of a modification of accelerated cost recovery of its nuclear generating assets. The Application requests that we allow CP&L to modify the accelerated cost recovery schedule for its nuclear generation previously approved in Commission Order No. 1999-75. The Application states that CP&L recently received \$200 million (pre-tax) from the sale of its investment in BellSouth's PCS digital cellular telephone business and the Company wishes to use \$125 million of this amount to further accelerate the cost recovery of its nuclear generation facilities.

Pursuant to the instructions of the Commission's Executive Director, the matter was noticed in newspapers of general circulation in the areas served by the Company. CP&L filed affidavits showing that it had complied with the instructions of the Executive Director. A Petition to Intervene was filed by the Consumer Advocate for the State of South Carolina. We would note that the accounting treatment of accelerated cost

recovery has not been considered by us to be a “contested case” under the Administrative Procedures Act. See Order No. 97-348, dated April 28, 1997. We still believe that to be true in the present case, and therefore, will proceed to decide the matter before us.

By Order No. 1999-75, this Commission authorized CP&L to accelerate the cost recovery of its nuclear generation facilities by a minimum of \$23 million and a maximum of \$33 million annually on a South Carolina jurisdictional basis for a five (5) year period, beginning January 1, 2000 and ending December 31, 2004.

CP&L recently received \$200 million (pre-tax) from the sale of its investment in BellSouth’s PCS digital cellular telephone business. CP&L wishes to use \$125 million of this amount to further accelerate the cost recovery of its nuclear generation facilities for the year 2000. The South Carolina jurisdictional amount, according to CP&L is \$27.5 million. CP&L proposes that the total amount of the accelerated cost recovery permitted by the Commission in Order No. 1999-75 remain unchanged, i.e. the five year minimum and maximum amounts will remain at \$115 million and \$165 million respectively. The amounts for each year of the 5 year period would be changed to some degree, however. For example, the total amount of accelerated amortization of nuclear generation facilities in 2000 would increase from the present authorized maximum to \$60.5 million. CP&L’s Application describes the remainder of the changes over the 5 year period.

According to CP&L, its customers benefit from the proposal because CP&L’s shareholders are contributing \$27.5 million towards the cost recover of CP&L’s nuclear facilities. CP&L states that it benefits by having greater flexibility in the amount of

accelerated cost recover it implements each year over the 5 year time period.

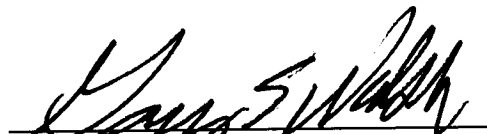
We have examined the proposal and hold that the proposal for modification should be approved as filed. We believe that the plan affords benefits to both CP&L and its customers, as described by CP&L in its Application. We would note, however, that the approval of this proposed modified accounting treatment shall not be precedent for any future actions that we may take, nor shall this approval prejudice the right of any party to take issue with the amount or with the accounting treatment seen herein in any future rate or earnings proceeding.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)